

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2020-077

AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES CONTRACT
WITH KANE, MCKENNA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED
\$50,000

THE 2nd DAY OF JUNE 2020

Published in pamphlet form by the Authority of the
President and Board of Trustees of the Village of
Vernon Hills, Lake County, Illinois, this
2nd Day of June 2020

**VILLAGE OF VERNON HILLS
ORDINANCE 2020-077**

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES CONTRACT
WITH KANE, MCKENNA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO
EXCEED \$50,000**

WHEREAS, all professional service engagements, which require the expenditure of over \$25,000, require Board of Trustees approval; and

WHEREAS, the Village Board has determined that Kane, McKenna and Associates Inc. is best able to provide economic development analysis; and

WHEREAS, this ordinance will allow for preparation of a Tax Increment Financing (“TIF”) Redevelopment Plan, and TIF eligibility report for the redevelopment of Hawthorn Mall, in addition to preparation for a TIF Redevelopment Plan and coordination of a TIF Adoption Process.

NOW THEREFORE BE IT RESOLVED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS:

That, the Village Manager is authorized to sign a contract with Kane, McKenna and Associates in an amount not to exceed \$50,000 for the purchase of certain hourly rates associated with the preparation of a Tax Increment Financing (“TIF”) Redevelopment Plan, TIF eligibility report, and subsequent TIF analysis for redevelopment of Hawthorn Mall and associated expenditures related to coordination of a TIF Adoption Process and preparation of a TIF Development Plan.

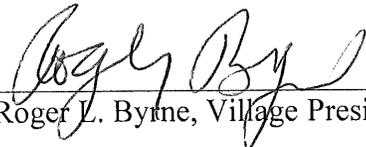
Dated this 2nd day of June, 2020

Adopted by roll call vote as follows:

AYES: 7 – Byrne, Schultz, Oppenheim, Takaoka, Brown, Marquardt, Koch

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 - None

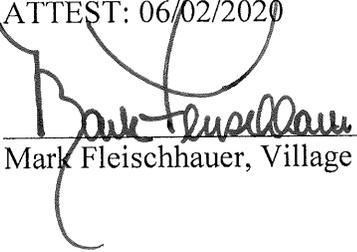


Roger L. Byrne, Village President

PASSED: 06/02/2020

APPROVED: 06/02/2020

ATTEST: 06/02/2020



Mark Fleischhauer, Village Clerk

Kane, McKenna
and Associates, Inc.

150 North Wacker Drive t 312 444 1702
Suite 1600 f 312 444 9052
Chicago, Illinois 60606



February 25, 2020

Mr. Mark Fleischhauer
Village Manager/
Village of Vernon Hills
290 Evergreen Drive
Vernon Hills, Illinois 60061-2904

RE: Proposed Vernon Hills/Hawthorn Mall TIF District

Dear Mr. Fleischhauer:

Pursuant to discussions with you, Kane, McKenna and Associates, Inc. ("KMA") is prepared to assist the Village of Vernon Hills (the "Village") in evaluating certain properties located within the Hawthorn Mall area in the Village in reference to economic development programs pertaining to the redevelopment and/or improvement of certain properties, such as Tax Increment Financing ("TIF").

Kane, McKenna and Associates, Inc., will provide the following services to Village as necessary and only for areas specifically identified by the Village.

CONSULTANT SCOPE OF SERVICES

PHASE 1: Prepare TIF Eligibility Report

- A. **Inventory and Analysis of Village-Proposed TIF Properties**
- 1) KMA will assist the Village staff to determine and confirm likely boundaries of the proposed redevelopment areas based upon site visits, historic assessed value analysis and results of any analysis presently or previously undertaken by the Village. Village staff may provide assistance relating to GIS maps, land use surveys, and sources of information relating to term of vacancy, utility service, etc.

Mr. Mark Fleischhauer
Page Two
February 25, 2020



- 2) Highlight and investigate preliminary "priority areas" as identified by the Village within the potential redevelopment designation based upon the above analyses. Identify opportunities currently evident and ways to create opportunities where none may be apparent.
- 3) Review with the Village the potential pros and cons, costs and benefits, and advantages and disadvantages of viable funding options available, including, but not limited to, programs described below.

B. Recommendation of Financing Options for TIF Designation

- 1) Provide advice and consultation related to appropriate incentive mechanisms or public financing techniques which could be applied to specific project areas within the proposed TIF. Review "priority areas" identified based upon discussions with Village officials where the proposed TIF is concerned, and how to address deficiencies existing within these locations.

C. Review and Documentation of TIF Qualification Factors

- 1) Review with the Village the preliminary boundaries for each area, as well as initial redevelopment goals and objectives specific to the respective redevelopment areas. Boundary review would include "doughnut holes" of certain properties, multiple TIF designation, or other options relating to Village goals.
- 2) Review the characteristics of the proposed TIF site(s) and adjacent properties in order to recommend precise proposed boundaries for a TIF, and to assess the potential qualification factors (strengths and weaknesses) of any identified area in accordance with the provisions of Illinois law. Review would include site surveys, review of past plans and policy materials, discussions with Village officials and staff, site tours/examination, and County data pertaining to equalized assessed valuation, tax rate, and tax collection trends.

Mr. Mark Fleischhauer
Page Three
February 25, 2020



- 3) Prepare TIF Qualification Report for the site(s) based upon the presence of eligibility factors required under Illinois law. KMA will be available to discuss the findings with the Village prior to completing the report. Also provide advice with respect to potential changes in the Village's comprehensive plan and zoning map to ensure consistencies with land uses proposed for the redevelopment districts.
- 4) Determine whether proposed costs and revenues to be incurred and/or generated from any proposed redevelopment project area(s) are reasonable, feasible and acceptable assumptions for the intended area to be developed.

PHASE 2: Prepare TIF Redevelopment Plan; Coordinate TIF Adoption Process

A. Prepare Resolutions of Intent and Interested Parties Registries

- 1) Assist the Village attorney to prepare resolution of intent for the proposed TIF District.
- 2) Attend Village Board meeting to review the purpose of the resolution of intent and respond to questions of officials and/or public.
- 3) Distribute resolutions to affected taxing districts per the requirements of the TIF Act.
- 4) Prepare for Village Board review and adoption documents and systems required to establish Interested Parties Registries for the TIF District.

Mr. Mark Fleischhauer
Page Four
February 25, 2020



B. Preparation of TIF Redevelopment Plan

- 1) Review with the Village the preliminary boundaries for the plan as well as redevelopment goals and objectives.
- 2) Prepare a draft TIF Redevelopment Plan for the area based upon the presence of qualification factors required under Illinois law. KMA will be available to discuss the findings with the Village in meetings prior to completing the report.
- 3) Assist Village to prepare, refine and document the required redevelopment plan and project for the area that satisfy TIF eligibility criteria pursuant to Illinois law.
- 4) In the event that other local financing programs or economic development alternatives may be applicable, KMA would identify these programs and their conditions for use by the Village.

C. Provide TIF Increment and Cost Projections

- 1) Assist Village staff to prepare the preliminary feasibility analysis of potential redevelopment projects incremental revenue (gross and net) and/or costs in order to summarize the potential funding advantages/disadvantages of various strategies.
- 2) Identify for the Village principal strategies for incentives and potential funding mechanisms based upon the potential redevelopment projects' ability to generate property, and/or other incremental taxes to cover anticipated costs and/or debt service requirements.
- 3) Identify issues that may exist if Village and Special Service Area (SSA) uses are combined or overlap. Review funding mechanisms and priorities with Village staff.
- 4) Review with the Village staff pros and cons of funding solely public improvements or considering extraordinary cost and gap financing utilization of TIF funding.

Mr. Mark Fleischhauer
Page Five
February 25, 2020



D. Finalize Redevelopment Project

- 1) In conjunction with Village staff, finalize TIF and boundaries for each area, and assist in the process of preparation of legal descriptions which identify the boundaries for each of the redevelopment areas.
- 2) Subsequent to the review of the draft redevelopment plan by the Village Board, Village staff, and other taxing districts (if applicable), revise the redevelopment plan sections in order to add relevant comments and/or corrections.

E. Prepare Public Hearing (and Meeting) Notices

- 1) Assist Village staff to prepare the public hearing resolution and the TIF public notices.
- 2) Prepare mailings for affected taxing districts and distribute notices to the taxing districts and the Illinois Department of Commerce and Economic Opportunity.

F. Coordinate Joint Review Board (JRB) Process

- 1) Provide agenda items, draft TIF ordinances, and other materials as required by the TIF Act.
- 2) Attend JRB meetings as necessary and appropriate.
- 3) Assist Village staff to respond to JRB requests.
- 4) Assist Village Counsel to prepare JRB resolutions relating to findings.

150 North Wacker Drive t 312 . 444 . 1702
Suite 1600 f 312 444 9052
Chicago, Illinois 60606

Mr. Mark Fleischhauer
Page Six
February 25, 2020



G. Preparation of Notices

- 1) Identify taxpayers located within the TIF district and obtain mailing information from the County.
- 2) Prepare mailings for taxpayers including review of delinquent taxpayers.
- 3) Manage the mailings to residents within 750 feet of the TIF District boundaries.
- 4) Assist Village staff in coordinating publication of legal notices in local newspapers.

H. Attend Public Hearings and Required Meetings

- 1) Assist the Village by participating in the required public hearing, and meetings with all interested and affected parties, including property owners.
- 2) Work with the Village staff to meet all the requirements of Illinois law.

150 North Wacker Drive T 312 444 1702
Suite 1600 F 312 444 9052
Chicago, Illinois 60606

Mr. Mark Fleischhauer
Page Seven
February 25, 2020



FEES FOR SERVICES

KMA normally bills for services on an hourly fee basis for the services requested. We find this more prudent for the client – since the client can exercise control on KMA attendance at meetings, involvement in certain implementation tasks, etc. We also believe that it is more prudent for KMA because we can then budget our time and resources most appropriately. As required by the Village, KMA has set forth maximum not to exceed fees for each Phase.

Estimated Fees are found below:

Fees would be charged monthly at the hourly rates set forth below.

Hourly Rate Breakdown:

<u>Personnel</u>	<u>Hourly Rates</u>
President	\$200.00/Hour
Executive Vice President	\$175.00/Hour
Officers	\$150.00/Hour
Associates	\$100.00/Hour
Research	\$ 60.00/Hour
Administrative	\$ 25.00/Hour

Fees are summarized below:

Phase 1	Eligibility Report	\$12,500 to \$17,000
Phase 2	TIF Redevelopment Plan; Adoption Process	\$25,000 to \$30,000

150 North Wacker Drive t 312 444 1702
Suite 1600 f 312 444 9052
Chicago, Illinois 60606

Mr. Mark Fleischhauer
Page Eight
February 25, 2020



Out of pocket expenses are not included in the fees above and include: Certified and other mailing costs, legal description, and newspaper notice/publication costs – these amounts are to be paid by the Village separately.

We look forward to working with you on this Project.

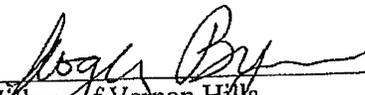
Sincerely,


Robert Rychlicki
President

AGREED TO:


Robert Rychlicki, President
Kane, McKenna and Associates, Inc.

2-25-2020
Date


Village of Vernon Hills

3/19/2020
Date

AFFIDAVIT OF SERVICE

STATE OF ILLINOIS)
)
COUNTY OF LAKE)

I, MARK FLEISCHHAUER, BEING FIRST DULY APPOINTED, DEPOSES AND SAYS ON OATH THAT AS VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, HE DID CAUSE THE FOREGOING CERTIFICATE FOR ORDINANCE NO. 2020-077 - AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH KANE, MCKENNA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$50,000.



Mark Fleischhauer
Village Clerk

SUBSCRIBED AND SWORN TO BEFORE
THIS 16th DAY OF JUNE 2020



Notary Public

